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January 17, 2018

VIA ELECTRONIC FILING

Ms. Jocelyn G. Boyd
Chief Clerk and Administrator
The Public Service Commission of South Carolina
Synergy Business Park
101 Executive Center Drive
Columbia, South Carolina 29210

Re: GCRM-145, Docket No. 2006-401-G

Dear Ms. Boyd:

On behalf of Piedmont Natural Gas Company, Inc. ("Piedmont"), I have enclosed various schedules constituting Piedmont's GCRM-145.

The rate changes reflected in this filing, as shown on the attached schedules, are necessary to update Piedmont's rates to reflect changes in Piedmont's wholesale costs of gas. Wholesale futures contract prices for natural gas deliveries, as reflected on the New York Mercantile Exchange, are currently at levels below the \$3.50 per dekatherm commodity cost of gas reflected in Piedmont's rates.

Based on the differential between Piedmont's existing benchmark cost of gas and the futures wholesale price, as well as the current balance in its deferred gas cost account, Piedmont is at risk of over-collecting its wholesale gas costs if the benchmark cost of gas reflected in its rates is not decreased to \$2.75 per dekatherm as proposed herein. The relief requested herein will avoid such over-collection and will also ensure that the wholesale gas costs reflected in Piedmont's rates are reasonably consistent with the prevailing market price for natural gas, thereby avoiding the creation of artificial market signals/incentives to parties who utilize this commodity for fuel or process purposes. The rate changes proposed herein are a decrease of \$0.07633/therm for sales rate schedules (201, 202, 242, 252, 203 and 204) and a decrease of \$0.00133/therm for transportation rate schedules (213 and 214).

Piedmont hereby requests approval of this GCRM filing in time to implement these rate changes effective with the first billing cycle in February, 2018.

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If you have any questions regarding this matter, you may reach me at the number shown above.

Sincerely,

s/ Scott M. Tyler
Scott M. Tyler

Enclosures

cc: Bruce Barkley
Pia Powers
Jim Jeffries IV
Office of Regulatory Staff (via email and overnight delivery)